



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

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September 10, 2007

Ref: 8EPR-N

Rodney Schwartz
Army Corps of Engineers
Omaha District Regulatory Branch
12565 West Center Road
Omaha, Nebraska 68144

Re: Draft Supplemental Environmental Impact
Statement for the Rueter-Hess Reservoir
Enlargement
CEQ #20070311

Dear Sirs:

The U.S. Environmental Protection Agency Region 8 (EPA) has reviewed the U.S. Army Corps of Engineers' (Corps) Draft Supplemental Environmental Impact Statement (DSEIS) for the Rueter-Hess Reservoir Enlargement (RHRE). EPA's review and comments are provided in accordance with our responsibilities under Section 102(2)(c) of the National Environmental Policy Act (NEPA), 42 U.S.C. Section 4332(2)(c), and Section 309 of the Clean Air Act, 42 U.S.C. Section 7609.

The proposed project includes expansion of the permitted Rueter-Hess Dam which is currently authorized to impound 16,200 acre/feet by approximately 55,800 additional acre/feet for a total maximum reservoir storage capacity of 72,000 acre/feet of water, the future insulation of an additional pipeline from the Cherry Creek diversion facility to the Rueter-Hess Reservoir and additional pipelines from the towns of Castle Rock, Castle Pines and Stonegate to deliver water to and from Rueter-Hess Reservoir. In addition, the water treatment plan has been relocated from its proposed location in the FEIS to a new location downstream of the dam.

EPA has been working with the Army Corps of Engineers (Corps) for the past eight years on Parker Water and Sanitation District's (PWSD) Rueter-Hess Dam project which was for the initial construction of the dam and with the new proposal to enlarge the reservoir to provide additional water storage for Castle Rock, Castle Pines and Stonegate. Throughout this time, EPA has raised a number of issues and concerns that we believe should be either added to the NEPA evaluation or modified in the document. Some of these concerns remain and would like to see the FEIS address the following are our concerns in detail:

Purpose and Need:

EPA has expressed its concerns throughout the NEPA and Clean Water Act, Section 404 permitting process on the change in the overall purpose and need statement from that which was used in the FEIS for the construction of the present dam. The purpose and need for the FEIS was "...provide a safe, adequate and sustainable municipal water supply that is capable of meeting peak demands for the area within the District's currently zoned boundary for the next 50 years." The current DSEIS purpose and need statement is, "... to provide the Project Participants with a water supply and the ability to manage their Denver Basin groundwater and reusable return flow to meet projected service area peak demands until such time as a new renewable source of water can be found." As stated in our January 16, 2007 letter to the Corps, EPA suggested that the SDEIS's purpose and need statement should be the same as that which was used in the initial EIS for the construction of the reservoir for the PWSD. It was our determination that PWSD's purpose and need statement in the DEIS allowed for a robust range of alternatives not too narrowly focused on only one or two alternatives that would meet the applicant's needs. In looking at the DSEIS, the inclusion in the purpose and need statement of the requirement that alternatives to be evaluated use Denver's groundwater and reusable return flows to meet future water supply needs, causes alternatives to be focused too narrowly. EPA recommends that this portion of the purpose and need statement be eliminated. This allows a further look at other alternatives that were eliminated early in the NEPA process.

Non Sustainable Water Supply:

As EPA understands, the towns of Castle Rock, Castle Pines and Stonegate are proposing to use the Denver Basin ground water, which is not rechargeable by surface water or other groundwater sources as a temporary source of water until a sustainable source is made available. In addition, this groundwater source will be supplying water to new residential and commercial developments within each of the three water suppliers' service areas. EPA is concerned with the uncertainty of obtaining future water supplies for all of the four service areas as water needs increase and water availability declines. EPA would like to see the FEIS explain in greater detail what future water availability options are being looked at to offset declining water supplies that will supply the residential and commercial growth. EPA does understand that these potential future water resources are speculative. However, because this proposed action is set up as a non-sustainable water supply project, it is very important that the document demonstrate that future water will be available to replace water supply due to declines in the production deep well aquifer pumping. In addition, the FEIS should explain how the proposed reservoir will influence or prioritize which future water option would be the preferred option by the water suppliers.

Impacts to Cherry Creek:

EPA would like to see some additional discussion in the FEIS on the potential impacts which could occur to the aquatic resources in and along Cherry Creek. In particular, we would like to see information on impacts due to the shallow water extraction wells and water flows in Cherry Creek below the water diversion facility. As discussed in our field meeting with

personnel from PWSD and Corps, these wells will be drawing water from under Cherry Creek that will likely disrupt water flows in the creek.

Impacts to Cherry Creek Reservoir:

Staff from Colorado State Parks has expressed to us some concern with the impacts that the proposed Rueter-Hess Dam will have on the operation of the recreational opportunities at the Cherry Creek Reservoir. The FEIS should include an analysis of how the proposed alternative could impact current water levels in Cherry Creek Reservoir and on its current operations.

EPA Rating:

Based on the procedures EPA uses to evaluate the adequacy of the information and the potential environmental impacts of the proposed action and alternatives in an EIS, EPA rates this SDEIS as EC-2 (Environmental Concerns-Insufficient Information). An "EC" signifies that EPA's review of the SDEIS has identified potential environmental impacts that should be avoided in order to provide adequate protection for the environment. A "2" rating signifies that the DEIS does not contain sufficient information for the EPA to fully assess environmental impacts that should be avoided in order to fully protect the environment. A copy of EPA's rating criteria is enclosed.

We appreciate the opportunity to provide comments at this stage of the project. If you have any questions or would like to discuss our comments, please contact me (303 312-6004) or Dick Clark (303 312-6848) of my staff.

Sincerely,

/s/

Deborah Lebow

for

Larry Svoboda

Director, NEPA Program

Office of Ecosystems Protection and Remediation

Enclosures: EPA's Rating System Criteria